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NSC BRIEFING

29 December 1960

RECENT BLOC ECONOMIC AND MILITARY AID

- I. Past year was biggest ever in bloc foreign aid program with total new obligations of over \$1.5 billion (bringing total since January 1954 to about \$5.5 billion).
- A. Old customers--UAR, Iraq, India, and Indonesia--continued to receive assurances of additional assistance, but spate of new aid offers and agreements in recent weeks (past two months) underscore Bloc's growing drive in Latin America and Africa.
- II. Latin America
- A. Cuba. During Cuban economic boss Guevara's recent tour of bloc:
1. Moscow promised to buy up to 2.7 million tons sugar (\$238,000,000) if US does not purchase. (2.7 is difference between firm non-Soviet bloc contracts and old level of US procurement.)
 2. Communist China extended \$60,000,000 credit, its largest credit to a non-bloc country.
 3. Czechoslovakia agreed to a \$20,000,000 loan.
 4. An East German \$12,000,000 offer is being negotiated.
 5. Meanwhile, large-scale arms deliveries to Cuba from the USSR resumed on 20 December after a two-month lapse.
 - a. As of today, we calculate deliveries of arms at about 20,000 tons, with another 10,000 or 11,000 tons now en route. Deliveries have included tanks and non-combat aircraft, but not thus far MIGs or bombers.

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- C. Bolivia. Soviet delegation now in La Paz has raised previous USSR offers, and bait to Bolivians now includes \$50,000,000 for tin smelter and \$100,000,000 for other projects.
- D. Chile. Moscow in early December made a new approach in frequent bloc bids to Chile with a "large" offer to exchange oil for Chilean copper; Santiago reportedly is seriously considering offer.

IV. Africa

- A. Morocco. Rabat in mid-November accepted Soviet offer to provide jet fighters and bombers. Moroccan inspection team recently returned from USSR; delivery of aircraft expected possibly as early as January.
- B. Algeria. Two shiploads of bloc arms were delivered recently to Morocco, apparently for transshipment to FLN.
- C. Tunisia. Tunis in November accepted a \$10,000,000 Polish credit--its first economic aid agreement with the bloc.
- D. Guinea. Conakry announced last month that the bloc is providing more than \$100,000,000 in economic aid, more than half from the USSR, in early December, the third shipload of Soviet arms in recent months was delivered.
- E. Ghana. Accra in mid-December officially accepted \$40,000,000 Soviet aid credit.

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- F. Central African Republic. Soviet delegation earlier this month offered economic aid for number of projects, including cotton farming.
- G. Sudan. Moscow in November again offered economic aid, reportedly a \$50,000,000 credit. Previous offer had been rejected, but this offer seems to be getting consideration. President Abboud has accepted an invitation to visit Moscow, where offer may be further discussed.
- H. UAR. Field Marshal Amer recently returned from Moscow where he negotiated for new Soviet military aid. Specific results of Amer's mission are not yet available, but he apparently got assurances of additional arms aid.
- I. Mali and Togo have also received indications of Soviet willingness to extend aid.

V. Asia

- A. Cambodia. Sihanouk, on return from tour of bloc late this month, announced he had received aid commitments from Moscow, Peiping, and Prague. These include Soviet offer to build a technological institute, Chinese offer to build a small steel mill, and Czech offer to build a sugar refinery.
- B. Indonesia. A high-level mission, including army chief Nasution and air chief Suyardarma, left this week for Moscow to negotiate new arms agreements.

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